



California Credit Union League

Government Relations Rally 2005

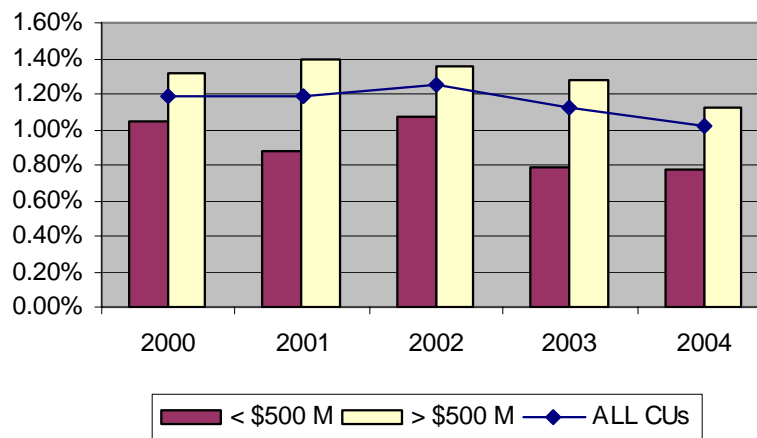
April 5, 2005 — Sacramento

Howard Gould, Commissioner
Department of Financial Institutions (DFI)

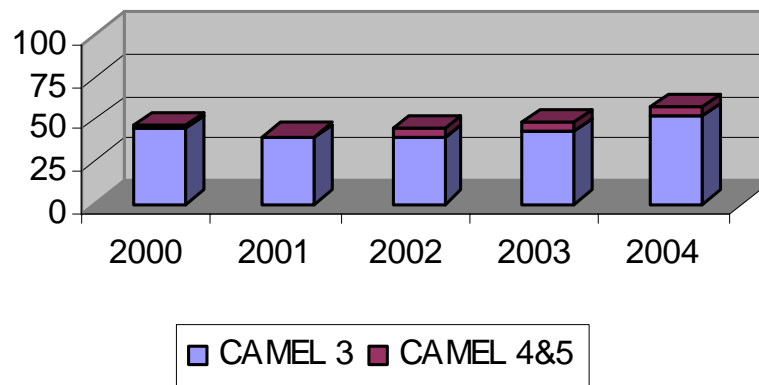
Today

- Industry Overview
- Administration Overview
- DFI Overview

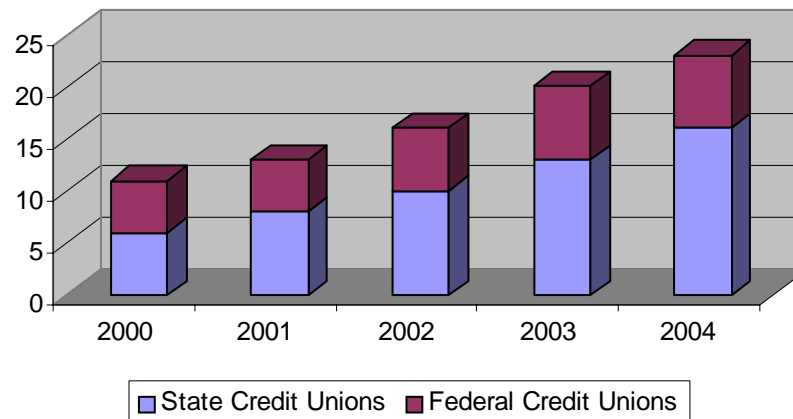
Return on Average Assets



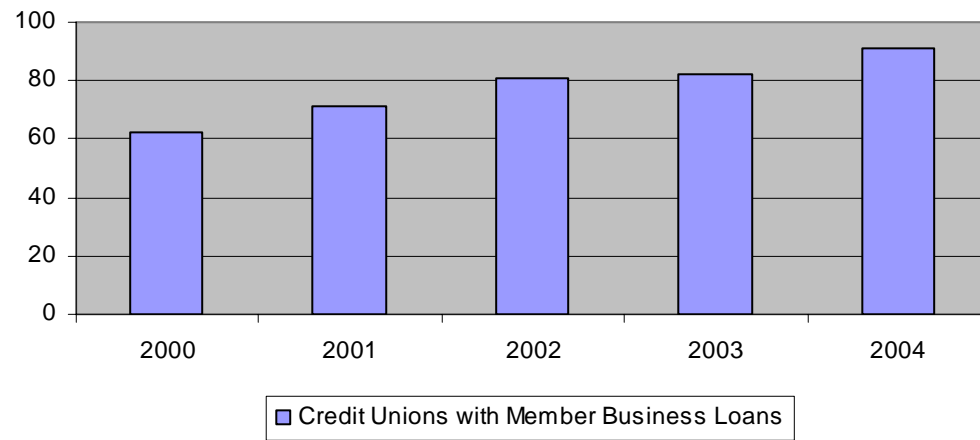
Number of Problem Credit Unions



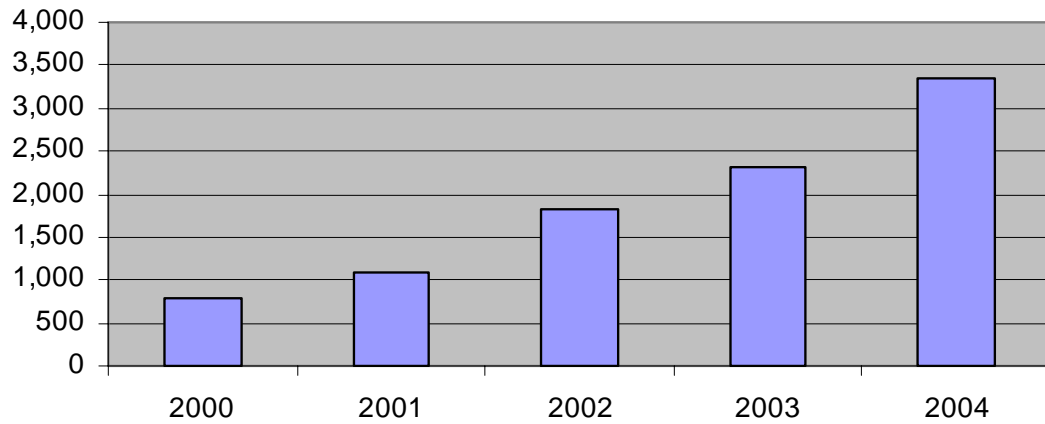
Number of CA Credit Unions with \$1B or More in Assets



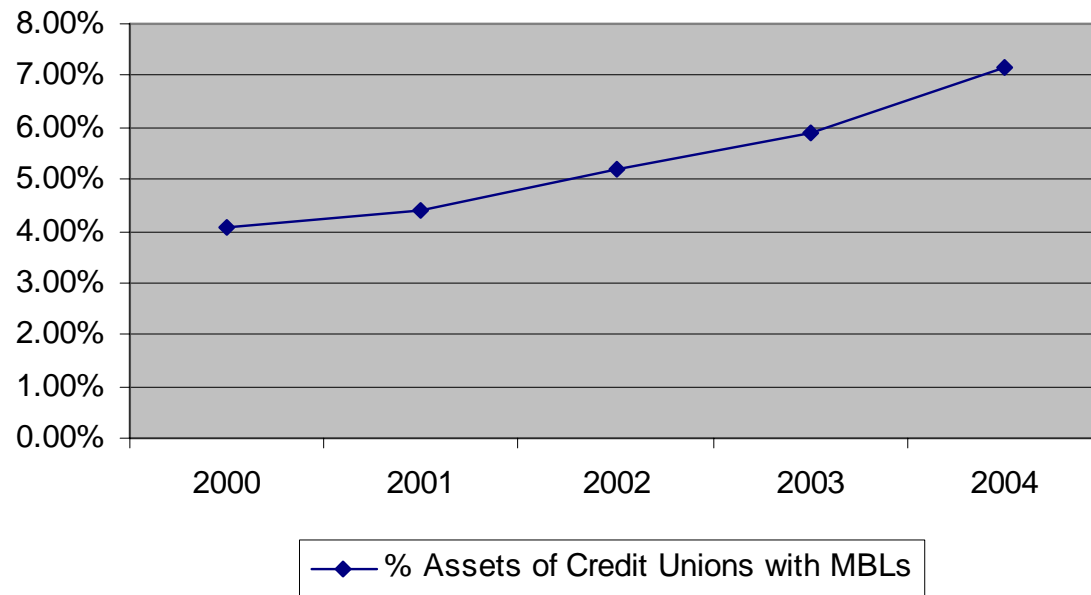
Credit Unions with Member Business Loans



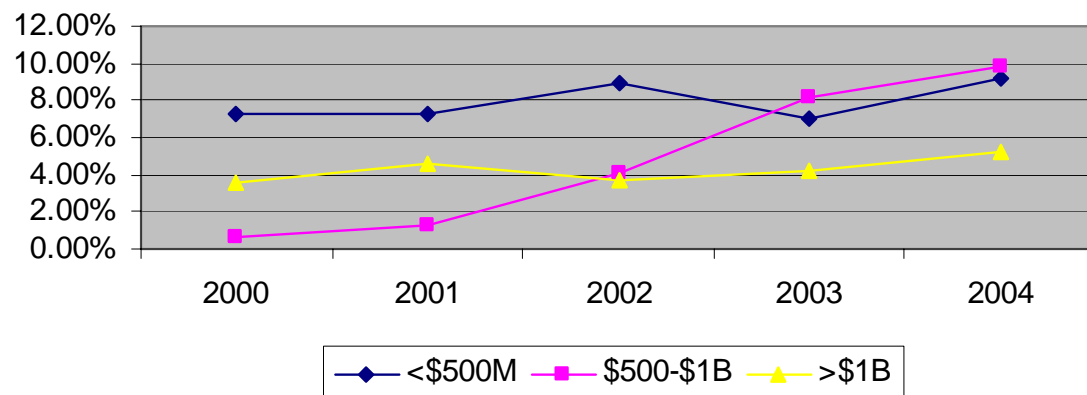
Total Member Business Loans



MBLs as a % of Total Assets

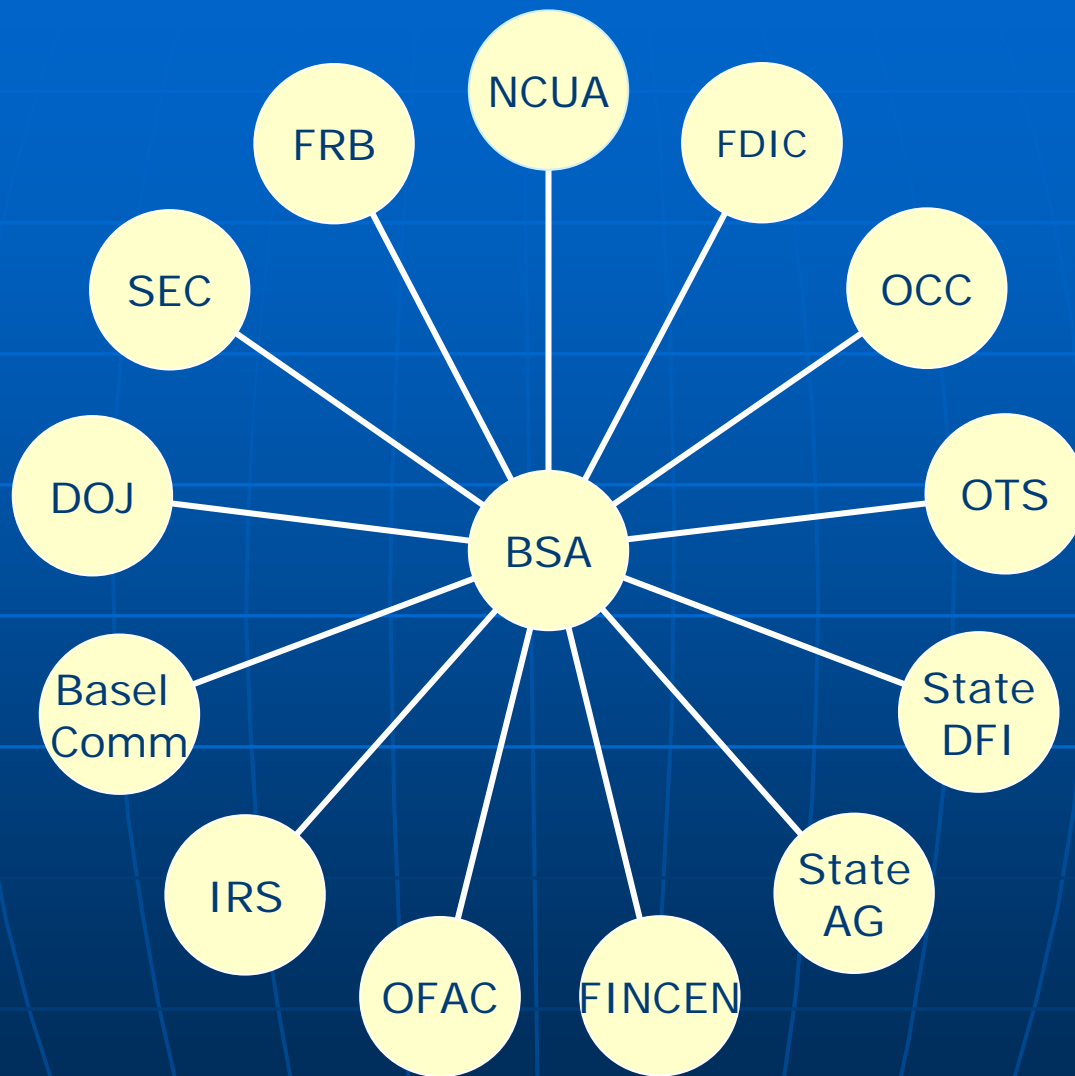


MBL Concentration by CU's Asset Size (% MBL Assets)



MBL Best Practices

- Policies (your own)?
- Underwriting Skills & Process?
- Ongoing Monitoring?
- Loan Grading?
- Segmentation & Concentrations?
- Loan Loss Reserve Process?
- Credit Review?
- Pricing Standards?
- Oversight/Governance?



California Performance Review

“...we will make California the first true 21st century government in America, a government that is as innovative and dynamic as the state itself.”

-Governor Arnold Schwarzenegger

Executive Branch Reorganization;

“Efficient and effective leadership”

Program Performance Assessment and Budgeting;

“True costs and benefits”

Improved Services and Productivity; and

“Customer focused transformation”

Acquisition Reform

“Desperate need of complete overhaul”

CPR/DFI

- Operational
- Performance
- Organization

DFI – CAMELS

C – Competent
A – Advisory
M – Meaningful
E – Efficient
L – Listening
S – Strong

2004 CAMELs

CAMELs 1 & 2
80%

C – Competent	87%
A – Advisory	80%
M – Meaningful	87%
E – Efficient	67%
L – Listening	87%
S – Strong Leadership	87%

Pyramid of Progress

